

AN ORDINANCE 2006-05-18-0587

AUTHORIZING THE EXECUTION OF AN AMENDMENT TO AN EXISTING SAN ANTONIO INTERNATIONAL AIRPORT LEASE AGREEMENT WITH NAYAK AVIATION, L.P., TO ADD AN ADDITIONAL 78,610 SQUARE FEET OF GROUND SPACE AND 23,873 SQUARE FEET OF HANGAR SPACE TO THE LEASED PREMISES, RESULTING IN AN ADDITIONAL \$51,729.94 IN ANNUAL RENTAL PAYMENTS.

* * * * *

WHEREAS, the City of San Antonio ("City") is the owner and operator of the San Antonio International Airport, ("Airport"); and

WHEREAS, Nayak Corporation (now known as Nayak Aviation L.P.) is currently operating its business under Lease No. 122073, for 306,562 square feet of ground space and 62,315 square feet of hangar space, which was authorized by Ordinance No. 93651 dated March 29, 2001 and is scheduled to end on December 31, 2011("Original Lease"); and

WHEREAS, the Terminal Expansion and Remain Overnight Projects at the Airport have resulted in the recapture of approximately 185,071 square feet of ground space and the recapture and demolition of five (5) hangar buildings totaling 62,963 square feet, which were previously occupied by Nayak; and

WHEREAS, as a result of this loss of usable space, Nayak has requested that its Original Lease be amended to add approximately 78,610 square feet of ground and hangar space; and

WHEREAS, the proposed new space will result in an additional \$51,729.94 annually in revenue to the City; and

WHEREAS, the proposed ordinance is in the best interests of the City and consistent with City Council policy to approve amendments to existing leases to facilitate the continued operation of an existing Airport tenant; **NOW THEREFORE**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

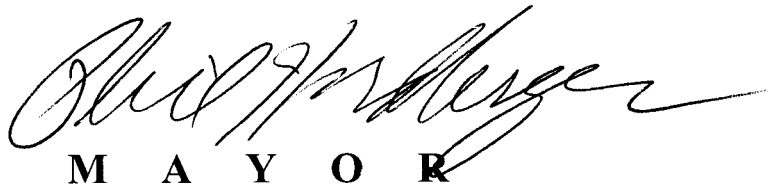
SECTION 1. The City Manager or her designee is authorized and directed to execute the San Antonio International Airport Amended Lease in a form substantially the same in form and content as the document attached as "Attachment 1" providing for the lease of 78,610 square feet of additional ground space and 23,873 square feet of additional hangar space to Nayak Aviation L.P.

SECTION 2. Revenues generated by this agreement shall be deposited into Fund 51001000, entitled "Airport Operations & Maintenance Account", Internal Order 2330000000004, entitled "Aviation Service Area," and General Ledger Accounts 4409040 entitled "Aviation Ground Rental Non-Aviation", and 4409016, entitled "Aviation Building Rental."

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocation to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance shall be effective on and after the tenth (10th) day after passage.

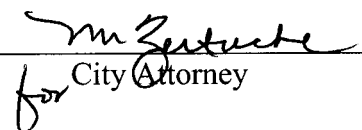
PASSED AND APPROVED this 18th day of May, 2006.



M A Y O R

PHIL HARDBERGER

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
for City Attorney

ATTACHMENT 1

12-1-05

**SAN ANTONIO INTERNATIONAL AIRPORT
AMENDMENT OF LEASE**

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

THIS AMENDMENT is made in multiple originals and entered into by and between the CITY OF SAN ANTONIO, a Texas Municipal Corporation (hereinafter called "City" or "Lessor"), acting by and through its City Manager, pursuant to Ordinance No. _____, passed and approved by City Council on _____, 2006 and NAYAK AVIATION L. P., a limited partnership, registered under the laws of the State of Texas, acting by and through its authorized General Partner pursuant to its Partnership Agreement (hereinafter "Lessee"), and

WITNESSETH:

WHEREAS, Lessee is a current tenant at the San Antonio International Airport: and

WHEREAS, Lease No. 122073 (hereinafter call the "Lease Agreement") for lease of ground and building space at San Antonio International Airport (the "Leased Premises") with NAYAK AVIATION CORPORATION was executed and authorized pursuant to Ordinance No. 93651 of March 29, 2001 for a ten (10) year term ending on December 31, 2011; and

WHEREAS, the Lessee and the City have mutually agreed that Lease No. 122073 be amended to add approximately 78,610 square feet of ground space and a building thereupon; and

WHEREAS, City leases to Lessee, and Lessee leases from City approximately 491,633 square feet of land, together with the buildings and other improvements located thereon, at the San Antonio International Airport, located in the City of San Antonio, County of Bexar, State of Texas; and

WHEREAS, the San Antonio International Airport's 20-year Master Plan, lists certain capital improvements to airfield infrastructure that are necessary to reduce aircraft delays expected to occur with increased operations projected through 2015; and

WHEREAS, the Terminal Expansion Project includes construction of two new Terminal buildings and will require demolition of the existing Terminal 2 as well as all the following existing buildings: 1314, 1318, 1330, 1331, 1335, 1401, 1410, 1420, 1421, 1422, and 1423 in order to allow construction of the planned new Terminals B and C, new terminal access roadway system, Remain Over Night Apron, and Airport Freight Facility Relocation Project; and

WHEREAS, on May 19, 2005, Ordinance No. 100886 declared Buildings 1314, 1318, 1330, 1331, 1335, 1340, 1401, 1410, 1420, 1421, 1422, and 1423 as surplus to the needs of the City and authorized a phased demolition of said buildings; and

WHEREAS, it is in the best interest of the City to amend the Lease; and

WHEREAS, to effectuate the agreement of the parties as to these matters, it is necessary that this Amendment of Lease be approved by City; **NOW THEREFORE:**

In consideration of the mutual covenants herein contained, City and Lessee hereby agree as follows:

- A. Section 1. DESCRIPTION OF PREMISES DEMISED of Lease No. 122073, entered into pursuant to Ordinance No. 93651, passed and approved by City Council on March 29, 2001, is hereby amended by adding the following as Description of Additional Premises Demised at the end of Section 1.

"DESCRIPTION OF ADDITIONAL PREMISES DEMISED"

Lessor, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Lessee, does hereby demise and lease unto Lessee and Lessee does hereby accept from Lessor the following Additional Premises (hereinafter referred to as the "Additional Leased Premises") located at San Antonio International Airport ("hereinafter the "Airport"), San Antonio, Bexar County, Texas, as shown on Exhibit 5 as "Leasable Area", which is attached hereto and made a part hereof:

Approximately 78,610 square feet of ground space and 23,873 square feet of building space in accordance with the provisions set forth below. The total leased ground area is now 385,172 square feet."

- B. Section 2. RENTAL of the Lease is hereby amended by adding the following as Additional Rental at the end of Section 2:

"ADDITIONAL RENTAL"

Lessee agrees to pay Lessor Additional Rental, monthly in advance (without notice or demand, both of which are expressly waived) for the use and occupancy of the Additional Leased Premises, at the times and in the manner provided for in this Lease Agreement.

<u>Additional Leased Premises</u>	<u>Sq. Ft.</u>	<u>Rate Per Sq. Ft.</u>	<u>Annual Rental</u>	<u>Monthly Rental</u>
Tract 4 - Ground	78,610	\$0.324	\$25,469.64	\$2,122.47
Building No. 1430	23,873	\$1.10	\$26,260.30	\$2,188.36

STATEMENT OF NEW GROUND AND BUILDING RENTAL

<u>Leased Premises</u>	<u>Sq. Ft.</u>	<u>Rate Per Sq. Ft.</u>	<u>Annual Rental</u>	<u>Monthly Rental</u>
Additional Ground	78,610	\$0.324	\$ 25,469.64	\$ 2,122.47
Existing Ground	306,562	\$0.324	\$ 99,326.09	\$ 8,277.18
Total Ground	385,172		\$124,795.73	\$10,399.65

<u>Leased Building Premises</u>	<u>Sq. Ft.</u>	<u>Rate Per Sq. Ft.</u>	<u>Annual Rental</u>	<u>Monthly Rental</u>
Additional Building				
No. 1430	23,873	\$1.10	\$ 26,260.30	\$ 2,188.36
Existing Buildings (2)	62,315	Varies	\$ 51,048.23	\$ 4,254.02
Total Buildings (3)	86,188		\$ 77,308.53	\$ 6,442.38

All Rental rates are subject to Economic Adjustment contained in Standard Provision 1.1 of the Lease."

- C. Section 9. SPECIAL PROVISIONS is amended by adding the following as Additional Special Provisions:

"ADDITIONAL SPECIAL PROVISIONS:

F. As a result of Airport Improvement Projects, including but not limited to Terminal Expansion and RON Relocation Projects, the City has initiated and began the phased recapture of Lessee's Leased Premises. In light of Lessee's need and desire to continue to provide services to its subtenants and customers, the City agrees to lease Building No. 1430 to Lessee on an AS IS BASIS and the City shall have no responsibility or obligation for the maintenance or repair of Building 1430 or any improvement or aircraft parking ramp thereupon.

G. It is the understanding of the parties that Building No. 1430 will be scheduled for demolition in the near future as part of the Airport's Redevelopment and Expansion Program. Therefore, it is not in the City's best interest or economically feasible to invest in substantial building, roof, and/or aircraft parking ramp repairs for use of Building 1430.

H. The parties understand and agree that Building 1430 and the 78,610 square feet of ground space (including the aircraft parking ramp) as described above

are subject to the recapture provisions of Section 9. SPECIAL PROVISIONS of Lease No. 122073.

I. Lessee has made approved building and roof repairs to Building No. 1430 and the City hereby grants Lessee a total rental credit for improvements to the Building Leased Premises up to a maximum amount of \$24,900.00, retroactive to _____. Such building premises rental credit for building repairs shall be applied to the monthly ground and building rent due for Lease No. 122073.

J. Lessee has made approved aircraft parking ramp repairs and the City hereby grants Lessee total a rental credit for the improvements to the Ground Leased Premises up to a maximum amount of \$24,900.00, retroactive to _____. Such ground premises rental credit for aircraft parking ramp repairs shall be applied to the monthly ground and building rent due for Lease No. 122073.

K. Lessee shall comply with the following criteria to document the foregoing rent credits' Lessee shall provide Lessor itemized invoices or other data reasonably satisfactory to the Aviation Director, San Antonio International Airport (hereinafter called "Director"), substantiating such implementation, continuation, and completion of the repairs to Building No. 1430 and the aircraft parking ramp. The itemized invoices or other satisfactory data shall at a minimum include an itemized list of construction materials used, the itemized cost of such construction materials and itemized labor costs, including but not limited to quantity, unit, cost, amounts, and copies of invoices from suppliers. Further, with respect to Leasehold improvements to Building No. 1430 and the aircraft parking ramp, Lessee shall provide to the Director a certified statement from its contractors specifying the total cost incurred and a certificate from any contractors shall state that all applicable work for the building and aircraft parking ramp improvements were performed in accordance with the approved plans and specifications. Upon receipt and approval by the Director of the foregoing cost information and certifications, Lessee will be granted a total building rental credit up to a maximum of \$24,900 for approved building repairs and a total ground rental credit up to a maximum of \$24,900 for aircraft parking ramp repairs that will be applied to the monthly ground and building rent due rent for Lease 122073. If the total amount spent by the Lessee is more than \$24,900.00 for any approved building improvements, no additional rent credit will be applied to the lease for any total amount spent for building improvements in excess of \$24,900.00.

If the total amount spent by the Lessee is more than \$24,900.00 for any approved ground improvements, no additional rent credit will be applied to the lease for any total amount spent for ground improvements in excess of \$24,900.00.

All other terms and conditions not changed are to remain in full force and effect.

EXECUTED THIS THE 22nd day of June, 2006.

CITY OF SAN ANTONIO

NAYAK AVIATION, L. P.

By: _____
City Manager

By: Robert L. Rose
Signature

ATTEST:

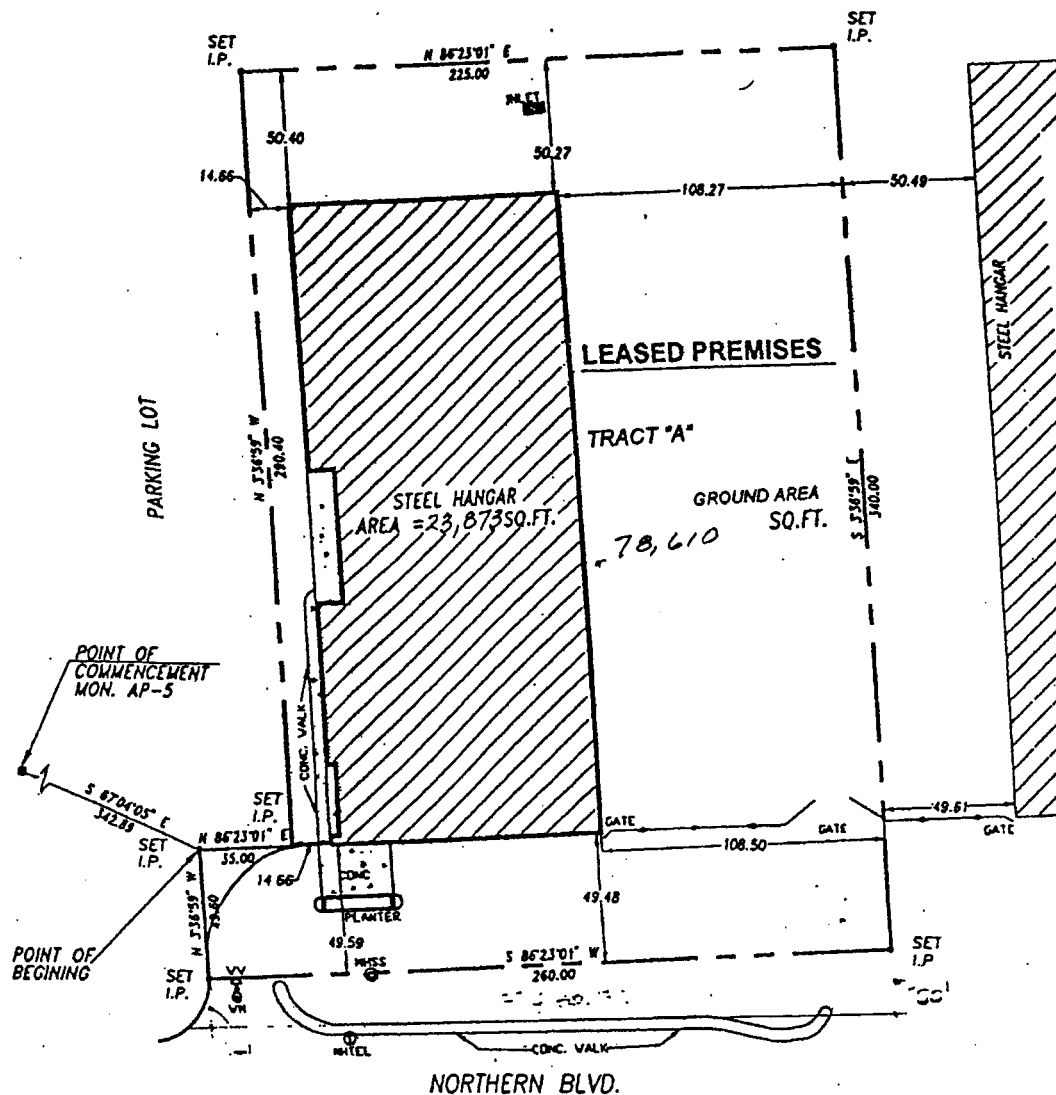
By: _____
City Clerk

ROBERT L. ROSE
Printed Name

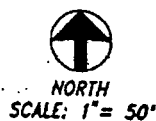
APPROVED:

W. Dominguez
for City Attorney

President Allied Aviation
Title Fueling Company of
San Antonio, Inc..
General Partner
47-0935478
Federal Tax I. D. Number



SURVEY OF LEASE TRACT "A" SAN ANTONIO INTERNATIONAL AIRPORT



BEARINGS BASED ON SURVEY
DEC., 1982 JACK S. BROWN
65.961 ACRES OF INTERNATIONAL
AIRPORT LANDS, CITY OF SAN
ANTONIO, BEXAR COUNTY, TEXAS

BEING A 1.80 ACRE 78,236 SQUARE FEET) TRACT OF LAND OUT OF THE SAN
ANTONIO INTERNATIONAL AIRPORT LANDS, CITY OF SAN ANTONIO, DEPARTMENT OF
AVIATION, BEXAR COUNTY, TEXAS.

EXHIBIT

for premises leased to

of
**SAN ANTONIO
INTERNATIONAL AIRPORT**